AMALGAMATED HOLDINGS LIMITED
A.B.N. 51 000 005 103

APPENDIX 4D
FOR THE HALF-YEAR ENDED
31 DECEMBER 2010

ASX CODE: AHD

RELEASED
24 FEBRUARY 2011

This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2010 Annual Report.

AMALGAMATED HOLDINGS LIMITED

A.B.N. 51 000 005 103

Appendix 4D

HALF-YEARLY REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

for the half-year ended 31 December 2010

(previous corresponding period: half-year ended 31 December 2009)

Key Information

				2010 A$'000	2009 A$'000
Revenue and other income from continuing operations	Down	3.0%	to	426,255	439,654
Revenue and other income from discontinued operations				–	–
Total revenues and other income	Down	3.0%	to	426,255	439,654
Profit from continuing operations before individually significant items, net finance costs and income tax	Down	25.4%	to	60,934	81,629
Net finance costs				(133)	(2,236)
Profit from continuing operations before individually significant items and income tax expense	Down	23.4%	to	60,801	79,393
Individually significant items from continuing operations				6,249	11,904
Profit from continuing operations before income tax expense	Down	26.6%	to	67,050	91,297
Discontinued operations profit before income tax				62,282	4,738
Profit before income tax expense	Up	34.7%	to	129,332	96,035
Income tax expense from continuing operations				(18,408)	(19,787)
Income tax credit from discontinued items				–	–
Profit after income tax expense and before minority interest	Up	45.5%	to	110,924	76,248
Minority interest				–	(18)
Profit for the year attributable to members of the parent entity	Up	45.5%	to	110,924	76,230

Dividends (distributions)			Amount per security	Franked amount per security
Final dividend	-	2010 (paid 16 September 2010)	23.0 ¢	23.0 ¢
Interim dividend	-	Current year	14.0 ¢	14.0 ¢
	-	Previous corresponding period	14.0 ¢	14.0 ¢

Record date for determining entitlements to the dividend	10th March 2011
Date of interim dividend payment	24th March 2011

Explanation of Revenue
See attached Directors' Report

Explanation of Profit from Ordinary Activities After Tax
See attached interim consolidated financial report.

Explanation of Net Profit
See attached interim consolidated financial report.

Explanation of Dividends
See attached interim consolidated financial report.

Net Tangible Asset Backing

	December 2010	December 2009
Net tangible asset backing per ordinary share	$5.05	$4.65

Controlled Entities Acquired or Disposed of
See attached interim consolidated financial report.

Additional Dividend Information
See attached interim consolidated financial report.

Dividend Re-Investment Plans
The Dividend Reinvestment Plan ("DRP") was suspended in August 2010 and will not operate for the 2011 interim dividend.

Associates and Joint Venture Entities
See attached interim consolidated financial report.

Compliance statement
The information provided in this report has been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other standards acceptable to ASX.

The Amalgamated Holdings Limited Financial Report for the financial half-year ended 31 December 2010 has been subject to review by its auditors, KPMG. A copy of the auditor's independent review report to the members of Amalgamated Holdings Limited is attached.

AMALGAMATED HOLDINGS LIMITED

A.B.N. 51 000 005 103

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

CONTENTS

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial report for the half-year ended 31 December 2010 and the auditors' review report thereon.

Directors
The directors of the Company at any time during or since the end of the half-year period are:

Name	**Period of directorship**
Mr AG Rydge (Chairman)	Director since 1978
Mr RM Graham	Director since 1990
Mr AJ Clark *AM*	Director since 1998
Mr DC Seargeant (Managing Director)	Director since 2001
Mr RG Newton	Director since 2008
Mr PR Coates *AO*	Director since 2009
Mr KG Chapman	Director since 18 February 2010

Review of operations
The review and results of operations are set out in Annexure 1.

Dividend
On 24 February 2011 the directors declared an interim dividend of $22,372,048 (14 cents per share).

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*
The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 31 December 2010.

Rounding off
The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the class order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

DC Seargeant
Director

Dated at Sydney this 24th day of February 2011.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Amalgamated Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

David Rogers

Partner

Sydney

24 February 2011

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $'000	Consolidated 30 June 2010 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		78,684	45,288
Short term deposits		70,000	–
Trade and other receivables		40,567	50,476
Inventories		17,974	18,124
Prepayments and other sundry assets		5,605	6,600
Total current assets		212,830	120,488
Non-Current Assets			
Trade and other receivables		410	405
Other financial assets		312	312
Available-for-sale financial assets		11,414	10,447
Investments in equity accounted investees	8	109,721	124,284
Property, plant and equipment	9	596,064	599,082
Investment properties		78,950	78,875
Intangible assets	10	33,656	32,889
Deferred tax assets		11,117	13,990
Other		6,674	7,780
Total non-current assets		848,318	868,064
Total assets		1,061,148	988,552
LIABILITIES			
Current Liabilities			
Trade and other payables		74,840	74,035
Loans and borrowings	11	2,612	4,993
Current tax payable		10,332	14,209
Provisions		15,513	16,643
Deferred revenue		48,643	41,652
Other liabilities		4,171	8,535
Total current liabilities		156,111	160,067
Non-Current Liabilities			
Payables		2	2
Loans and borrowings	11	40,436	41,629
Deferred tax liabilities		7,981	8,002
Provisions		10,514	10,909
Deferred revenue		3,226	2,937
Other liabilities		4,961	4,820
Total non-current liabilities		67,120	68,299
Total liabilities		223,231	228,366
Net assets		837,917	760,186
Equity			
Share capital	12	219,126	219,126
Reserves	13	3,525	103
Retained earnings		615,266	540,957
Total equity attributable to equity holders of the Company		837,917	760,186

The interim statement of financial position is to be read in conjunction with the condensed notes to the interim consolidated financial statements on pages 12 to 25.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 31 Dec 2010 $'000	31 Dec 2009 $'000
Revenue and Other Income			
Revenue from sale of goods and rendering of services	3	399,200	409,452
Other revenue and income	3	27,055	30,202
		426,255	439,654
Expenses			
Occupancy expenses		(92,220)	(97,301)
Employee expenses		(98,192)	(87,101)
Film hire and other film expenses		(79,621)	(87,872)
Purchases and other direct expenses		(49,663)	(44,464)
Other operating expenses		(22,975)	(19,160)
Depreciation and amortisation		(19,490)	(17,497)
Advertising, commissions and marketing expenses		(10,342)	(9,784)
Finance costs		(1,730)	(2,626)
Fair value decrement on investment properties		–	(75)
		(374,233)	(365,880)
Equity Profit			
Share of net profit accounted for using the equity method:			
Associates	14	43	38
Jointly controlled entities	15	14,985	17,485
		15,028	17,523
Profit before tax from continuing operations	4	67,050	91,297
Income tax expense	7	(18,408)	(19,787)
Profit after tax from continuing operations		48,642	71,510
Discontinued operations			
Profit after tax from discontinued operations	5	62,282	4,738
Profit for the period		110,924	76,248
Attributable to:			
Equity holders of the Company		110,924	76,230
Non-controlling interest		–	18
Profit for the period		110,924	76,248
Earnings per share for profit attributable to equity holders of the Company (cents per share):			
Basic from continuing operations		30.6	51.0
Basic from discontinued operations		39.1	3.4
Basic for the half-year		69.7	54.4
Diluted from continuing operations		30.6	51.0
Diluted from discontinued operations		39.1	3.4
Diluted for the half-year		69.7	54.4

The interim income statement is to be read in conjunction with the condensed notes to the interim consolidated financial statements on pages 12 to 25.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated	
	31 Dec 2010 $'000	**31 Dec 2009 $'000**
Profit for the period	110,924	76,248
Other comprehensive (expense)/income		
Foreign currency translation differences for foreign operations	(6,201)	(4,595)
Net increase in fair value of available-for-sale financial assets – net of tax	677	1,445
Net gain on hedge of net investment in foreign operation – net of tax	405	26
Net change in fair value of cash flow hedges – net of tax	(816)	802
Share of associates' reserve movements	(1,547)	(1,398)
Transferred from foreign currency translation reserve on sale of interest in MAF Greater Union LLC (refer note 5)	9,657	–
Other comprehensive income for the period – net of income tax	2,175	(3,720)
Total comprehensive income for the period	113,099	72,528
Total comprehensive income attributable to:		
Equity holders of the Company	113,099	72,510
Non-controlling interest	–	18
Total comprehensive income for the period	113,099	72,528

The interim statement of comprehensive income is to be read in conjunction with the condensed notes to the interim consolidated financial statements on pages 12 to 25.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

CONSOLIDATED	*Attributable to owners of the Company*					
	Share capital $'000	***Reserves $'000***	***Retained earnings $'000***	***Total $'000***	***Non-controlling interest $'000***	***Total equity $'000***
At 1 July 2010	219,126	103	540,957	760,186	–	760,186
Profit for the period	–	–	110,924	110,924	–	110,924
Other comprehensive income						
Foreign currency translation differences	–	(5,796)	–	(5,796)	–	(5,796)
Transfer of foreign currency translation reserve on sale of interest in MAF Greater Union LLC (refer note 5)	–	9,657	–	9,657	–	9,657
Net increase in fair value of available-for-sale financial assets – net of tax	–	677	–	677	–	677
Net change in fair value of cash flow hedges – net of tax	–	(816)	–	(816)	–	(816)
Share of associates' reserves movements	–	(1,547)	–	(1,547)	–	(1,547)
Total other comprehensive income recognised directly in equity	–	2,175	–	2,175	–	2,175
Total comprehensive income for the period	–	2,175	110,924	113,099	–	113,099
Employee share-based payments expense – net of tax	–	1,247	–	1,247	–	1,247
Dividends paid	–	–	(36,615)	(36,615)	–	(36,615)
At 31 December 2010	219,126	3,525	615,266	837,917	–	837,917
At 1 July 2009	101,353	6,167	491,475	598,995	90	599,085
Profit for the period	–	–	76,230	76,230	18	76,248
Other comprehensive income						
Foreign currency translation differences	–	(4,569)	–	(4,569)	–	(4,569)
Net increase in fair value of available-for-sale financial assets – net of tax	–	1,445	–	1,445	–	1,445
Net change in fair value of cash flow hedges – net of tax	–	802	–	802	–	802
Share of associates' reserves movements	–	(1,398)	–	(1,398)	–	(1,398)
Total other comprehensive income recognised directly in equity	–	(3,720)	–	(3,720)	–	(3,720)
Total comprehensive income for the period	–	(3,720)	76,230	72,510	18	72,528
Employee share-based payments expense – net of tax	–	653	–	653	–	653
Renounceable entitlement share issue – net of costs and tax	105,987	–	–	105,987	–	105,987
Dividends paid	–	–	(27,383)	(27,383)	–	(27,383)
At 31 December 2009	207,340	3,100	540,322	750,762	108	750,870

The interim statement of changes in equity is to be read in conjunction with the condensed notes to the interim consolidated financial statements on pages 12 to 25.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated	
	31 Dec 2010 $'000	31 Dec 2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	458,932	440,563
Cash payments in the course of operations	(386,378)	(372,751)
Cash provided by operations	72,554	67,812
Distributions from associates and jointly controlled entities	20,010	21,764
Other revenue	22,792	20,225
Dividends received	278	285
Interest received	906	390
Finance costs paid	(1,246)	(2,716)
Income tax paid	(19,786)	(15,851)
Net cash provided by operating activities	95,508	91,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment in an associate entity	78,583	–
Amounts invested in short term deposits	(70,000)	–
Payments for property, plant and equipment, software and redevelopment of investment property	(23,355)	(68,678)
Payments for of leasehold cinema sites and associated plant and equipment	(1,750)	(9,725)
Payments for remaining 50% interest in cinema joint venture site including plant and equipment	–	(3,517)
Increase in loans to associates and jointly controlled entities	(4,877)	(773)
Proceeds from disposal of other non-current assets	69	195
Decrease in other loans	124	135
Repayment of loans owing to other entities	(232)	(646)
Increase in loans from an associate	28	28
Net cash used in investing activities	(21,410)	(82,981)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	9,428	101,017
Repayment of borrowings	(10,066)	(141,001)
Net proceeds from renounceable pro-rata entitlement share issue	–	105,584
Dividends paid	(36,615)	(27,383)
Net cash provided by financing activities	(37,253)	38,217
Net increase in cash and cash equivalents	36,845	47,145
Effect of exchange rate fluctuations on cash held	(3,449)	(745)
Cash and cash equivalents at the beginning of the financial period	45,288	23,227
Cash and cash equivalents at the end of the financial period	78,684	69,627

The interim statement of cash flows is to be read in conjunction with the condensed notes to the interim consolidated financial statements on pages 12 to 25.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND COMPLIANCE

Amalgamated Holdings Limited ("Company") is a company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 December 2010 comprise the Company and its subsidiaries (collectively referred to as "Group" or "Consolidated Entity") and the Group's interest in associates and jointly controlled entities.

The interim consolidated financial report was authorised by the Board of the Company for issuance on 24 February 2011.

(a) Statement of Compliance

The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reports* and the *Corporations Act 2001*.

The interim consolidated financial report does not include all of the information required for a full annual financial report.

It is recommended that this interim financial report be read in conjunction with the most recent annual financial report for the year ended 30 June 2010. This report should also be read in conjunction with any public announcements made by the Company during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies applied by the Group in this interim consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2010.

(c) Estimates

The preparation of the interim consolidated financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim consolidated financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2010.

(d) Financial Risk Management

Aspects of the Group's financial risk management systems are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2010.

NOTE 2 – SEGMENT INFORMATION

	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Cinema Exhibition United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued Operations $'000	Consolidated Continuing Operations $'000
Operating Segments 31 December 2010												
External segment revenue	[(a)] 80,095	[(a)] 30,524	[(a)] 142,439	–	20,211	85,853	43,224	5,845	13,776	421,967	–	421,967
Inter-segment revenue	–	–	–	–	2,110	–	–	–	–	2,110	–	2,110
Other income – external	–	–	–	60,318	–	32	51	–	2,582	62,983	(60,318)	2,665
Consolidated segment revenue and other income	80,095	30,524	142,439	60,318	22,321	85,885	43,275	5,845	16,358	487,060	(60,318)	426,742
Finance revenue										1,597	–	1,597
Other unallocated revenue										26	–	26
Inter-segment revenue eliminated										(2,110)	–	(2,110)
Consolidated revenue and other income										486,573	(60,318)	426,255
Segment result before share of equity accounted business undertakings	6,810	736	7,949	60,304	506	16,901	17,431	1,166	9,098	120,901	(60,304)	60,597
Share of net profit from equity accounted business undertakings	13,417	301	1,267	1,978	4	39	–	–	–	17,006	(1,978)	15,028
	20,227	1,037	9,216	62,282	510	16,940	17,431	1,166	9,098	137,907	(62,282)	75,625
Unallocated revenue and expenses										(8,442)	–	(8,442)
Net financing costs										(133)	–	(133)
Consolidated profit before related income tax expense										129,332	(62,282)	67,050
Reportable Segment Assets	109,730	48,157	78,822	–	15,490	342,426	39,704	6,034	162,353	802,716	–	802,716
Equity accounted investments	99,618	6,670	1,667	–	171	1,595	–	–	–	109,721	–	109,721
Deferred tax assets										11,117	–	11,117
Unallocated corporate assets										137,594	–	137,594
Consolidated total assets										1,061,148	–	1,061,148

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from $80,095,000 to $184,201,000, revenue for Cinema Exhibition New Zealand would increase from $30,524,000 to $33,261,000, and revenue for Cinema Exhibition Germany would increase from $142,439,000 to $149,243,000,

NOTE 2 – SEGMENT INFORMATION

	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Cinema Exhibition United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: Discontinued Operations $'000	Consolidated Continuing Operations $'000
Operating Segments 31 December 2009												
External segment revenue	[(a)] 72,798	–	[(a)] 208,887	–	17,529	73,712	40,872	5,632	10,205	429,635	–	429,635
Inter-segment revenue	–	–	–	–	1,997	–	–	–	–	1,997	–	1,997
Other income – external	2	–	–	–	–	30	–	–	9,555	9,587	–	9,587
Consolidated segment revenue and other income	72,800	–	208,887	–	19,526	73,742	40,872	5,632	19,760	441,219	–	441,219
Finance income										390	–	390
Other unallocated revenue										42	–	42
Inter-segment revenue eliminated										(1,997)	–	(1,997)
Consolidated revenue and other income										439,654	–	439,654
Segment result before share of equity accounted business undertakings	7,248	–	28,926	(22)	882	15,279	16,318	1,246	13,063	82,940	22	82,962
Share of net profit from equity accounted business undertakings	16,297	–	1,188	4,760	7	31	–	–	–	22,283	(4,760)	17,523
	23,545	–	30,114	4,738	889	15,310	16,318	1,246	13,063	105,223	(4,738)	100,485
Unallocated revenues and expenses										(6,952)	–	(6,952)
Net financing costs										(2,236)	–	(2,236)
Consolidated profit before related income tax expense										96,035	(4,738)	91,297
Reportable Segment Assets	123,800	–	108,698	–	11,597	344,884	40,743	6,874	167,780	804,376	–	804,376
Equity accounted investments	95,876	–	3,945	12,060	161	1,980	–	–	–	114,022	(12,060)	101,962
Deferred tax assets										11,657	–	11,657
Unallocated corporate assets										32,419	–	32,419
Consolidated total amounts										962,474	(12,060)	950,414

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from $72,800,000 to $180,388,000 and revenue for Cinema Exhibition Germany would increase from $208,887,000 to $216,527,000.

NOTE 2 – SEGMENT INFORMATION
(continued)

The Group comprises the following reportable segments, which are the Group's main strategic business units. The Group has determined its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and determining allocation of resources. These segments are differentiated by the product or service that they provide and the key geographic market within which they operate. The following summary describes the operations in each of the Group's reportable segments:

- **Cinema Exhibition Australia**
  Includes the cinema exhibition operations, both wholly owned and jointly controlled, in Australia.

- **Cinema Exhibition New Zealand**
  Includes cinema exhibition operations in New Zealand as well as a joint venture interest in two cinema sites in Fiji.

- **Cinema Exhibition Germany**
  Includes the cinema exhibition operations, both wholly owned and jointly controlled, in Germany.

- **Cinema Exhibition United Arab Emirates**
  Includes a 49% interest in an associate entity with cinema exhibition operations in the United Arab Emirates. The Group's interest in the United Arab Emirates associate entity was sold on 25 October 2010.

- **Entertainment Technology**
  Includes theatre equipment supply and servicing and the manufacture of film processors and related equipment.

- **Hotels**
  Includes the ownership, operation and management of hotels in Australia and overseas.

- **Thredbo Alpine Resort**
  Includes all the operations of the resort including property development activities.

- **Leisure/Attractions**
  Includes ancillary leisure and other activities including Featherdale Wildlife Park and The State Theatre.

- **Property and Other Investments**
  Includes property rental, investment properties and available-for-sale investments.

NOTE 3 – REVENUE AND OTHER INCOME

	Consolidated	
	31 Dec 2010 $'000	31 Dec 2009 $'000
Revenue		
Rendering of services (see below)	274,476	286,736
Sale of goods (see below)	124,724	122,716
	399,200	409,452
Rental revenue	12,046	10,833
Management fees	10,395	8,752
Finance revenue	1,597	390
Dividends	278	285
Sundry revenue	351	640
	24,667	20,900
Other income		
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	2,251	9,300
Profit on sale of plant and equipment	62	2
Fair value increment on investment properties	75	–
	2,388	9,302
	426,255	439,654

Total revenues and other income disclosed above does not include the Group's share of revenue earned by jointly controlled entities (refer Note 15). Total revenue and other income, including the Group's share of the revenue and other income earned by jointly controlled entities, decreased from $554,882,000 for the half-year to 31 December 2009 to $539,902,000 for the half-year to 31 December 2010.

NOTE 4 – PROFIT BEFORE INCOME TAX

	Consolidated	
	31 Dec 2010 $'000	31 Dec 2009 $'000
(a) Individually significant items		
Profit before income tax expense includes the following revenues whose disclosure is relevant in explaining the financial performance of the Group:		
Relating to continuing operations		
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	2,251	9,300
Profit on sale of developed residential land lots	3,998	2,604
	6,249	11,904
Relating to discontinued operations (Note 5)		
Profit on sale of interest in United Arab Emirates cinema exhibition operations - MAF Greater Union LLC	60,318	–

(b) Seasonality of operations

The consolidated result includes the operations of the Thredbo Alpine Resort. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2011 have largely been earned in the half-year to 31 December 2010.

NOTE 5 – DISCONTINUED OPERATIONS

On 25 October 2010 the Group sold its 49% share in an associate entity, MAF Greater Union LLC. The consideration from the sale was $78,583,000 and the profit on the sale was $60,318,000. MAF Greater Union LLC operates a cinema circuit based in the United Arab Emirates which, at the date of sale, consisted of 5 cinema sites and a total of 50 screens.

The comparative Income Statement has been restated to show this discontinued operation separately from continuing operations.

Profits attributable to discontinued operations were as follows:

	Consolidated	
	31 Dec 2010 $'000	31 Dec 2009 $'000
Results of discontinued operations		
Share of net profit accounted for using the equity method	1,978	4,760
Other costs	(14)	(22)
Profit before income tax	1,964	4,738
Income tax expense	–	–
Net profit before gain on sale of discontinued operations	1,964	4,738
Profit on sale of discontinued operations	60,318	–
Income tax – sale of discontinued operations	–	–
Profit after tax from discontinued operations	62,282	4,738

During the six months to 31 December 2010, the discontinued operations had cash inflows from operating activities of $4,400,000, cash inflows from investing activities on disposal of $78,583,000 and cash flows from financing activities of $nil. There were no discontinued operations in the six months to 31 December 2009.

NOTE 6 – DIVIDENDS

	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid or provided for in the current and comparative periods are:					
2010					
Final 2010 dividend	23	36,615	16 September 2010	30%	100%
2009					
Final 2009 dividend	21	27,383	17 September 2009	30%	100%
Subsequent events					
Since the end of the period, the directors declared the following dividend:					
Interim 2011 dividend	14	22,372	24 March 2011	30%	100%

The financial effect of this interim dividend has not been brought to account in the interim consolidated financial statements for the half-year ended 31 December 2010 and will be recognised in subsequent consolidated financial statements.

NOTE 7 – TAXATION

	Consolidated 31 Dec 2010 $'000	Consolidated 31 Dec 2009 $'000
Income tax expense		
The major components of income tax expense are:		
Income Statement		
Income tax expense reported in the Income Statement	18,408	19,787
Income tax attributable to discontinued operations – Note 5	–	–
	18,408	19,787
Current income tax		
Current income tax charge	16,828	18,375
Adjustments in respect of current income tax of previous years	(221)	(414)
Deferred income tax		
Relating to origination and reversal of temporary differences	1,801	1,826
Income tax expense reported in the Income Statement	18,408	19,787
Statement of Change in Equity		
Deferred income tax related to items charged or credited directly to equity		
Net gain on revaluation of cash flow hedges	65	324
Unrealised gain on available-for-sale investments	290	620
Renounceable entitlement share issue costs to be amortised for tax	–	(403)
Adjustment to share-based payments reserve	(69)	60
Currency translation movements of deferred tax balances of foreign operations	765	214
Income tax expense reported in equity	1,051	815
Reconciliation between tax expense and pre-tax net profit		
A reconciliation between tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax from continuing operations	67,050	91,297
Profit before tax from discontinued operations	62,282	4,738
Accounting profit before income tax expense	129,332	96,035
Prima facie income tax expense calculated at the Group's statutory income tax rate of 30% on the accounting profit	38,800	28,811
Increase in income tax expense due to:		
Depreciation and amortisation of buildings	174	284
Non-refundable franking credits grossed up	33	33
Non-deductible items and losses in non-resident controlled entities	1,055	2,141
Non-deductible costs on acquisitions	230	359
Non-deductible/(non-assessable) items and share of investment allowance in joint venture entities' income tax	10	(140)
Sundry items	64	140
	1,566	2,817
Decrease in income tax expense due to:		
Non-assessable profit on sale of interest in United Arab Emirates cinema exhibition operations	18,095	–
Prior year tax losses of non-resident controlled entities not previously recognised offset against current period profit	2,547	6,043
Franking credits on dividends received	109	109
Share of associates' net profit	606	1,440
Share of incorporated jointly controlled entities net profit	380	357
Difference between book and tax for property development gain recognised	–	521
Difference between book and tax values on transfer of developed residential land lots to trading stock	–	2,496
Investment allowance	–	461
	21,737	11,427
Income tax over provided in prior period	(221)	(414)
	18,408	19,787

NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Consolidated 31 Dec 2010 $'000	Consolidated 30 June 2010 $'000
Associates (refer to Note 14)	1,766	15,037
Jointly controlled entities (refer to Note 15)	107,955	109,247
	109,721	124,284

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the six months ended 31 December 2010 the Group acquired property, plant and equipment with a cost value of $22,073,000 (2009: $73,184,000).

NOTE 10 – INTANGIBLE ASSETS

Intangible assets comprise of goodwill, construction rights, management and leasehold rights, liquor licences and software costs.

Movements in intangible assets during the half-year period were as follows:

	Consolidated 31 Dec 2010 $'000	Consolidated 31 Dec 2009 $'000
Balance at the beginning of the period – 1 July	32,889	14,856
Acquisitions through business combinations:		
– goodwill (refer Note 16)	1,699	–
– management and leasehold rights (refer Note 16)	–	10,114
Software acquisitions	1,251	279
Disposals	(18)	(148)
Net foreign currency differences on translation of foreign operations	(879)	(383)
Amortisation	(1,286)	(950)
Balance at the end of the period – 31 December	33,656	23,768

NOTE 11 – LOANS AND BORROWINGS

	Consolidated	
	31 Dec 2010 $'000	30 June 2010 $'000
Current		
Interest bearing liabilities and borrowings		
Loans from associates – unsecured	883	916
Lease liabilities – secured	1,645	3,934
Deferred financing costs	(248)	(248)
	2,280	4,602
Non-interest bearing loans		
Loans from other companies – unsecured	332	391
	2,612	4,993
Non-current		
Interest bearing liabilities and borrowings		
Bank loans – secured	39,480	40,624
Deferred financing costs	(118)	(242)
	39,362	40,382
Non-interest bearing loans		
Loans from other companies – unsecured	1,074	1,247
	40,436	41,629

Bank debt – secured
The Group's secured bank debt facilities comprise the following:

- A$160,000,000 of revolving multi-currency loan facility;
- A$70,000,000 of cash advance facility;
- A$38,750,000 of credit support facility (for the issue of letters of credit and bank guarantees); and
- A$5,050,000 in overdraft limits to support its transactional banking facilities.

With the exception of the overdraft facility, which is subject to annual review, the above facilities mature on 10 July 2012. These facilities are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages.

Other loans – Germany
In addition to the above facilities, wholly owned subsidiaries in Germany have working capital and bank guarantee facilities totalling €9,000,000 (A$11,769,000) secured by a letter of credit and bank guarantees drawn under the credit support facility in Australia. Additional working capital facilities totalling €5,000,000 (A$6,539,000) are supported by Amalgamated Holdings Limited. These facilities are subject to annual review.

Finance lease liability – Germany
A wholly owned subsidiary in Germany has a property finance lease with a balance outstanding of $1,645,000
(30 June 2010: $3,934,000).

NOTE 12 – SHARE CAPITAL

	Consolidated 31 Dec 2010 $'000	Consolidated 30 June 2010 $'000
Share capital		
159,196,899 (June 2010: 159,196,899) ordinary shares fully paid	219,126	219,126

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

During the prior half-year period to 31 December 2009, Amalgamated Holdings Limited issued 26,080,088 ordinary shares under a Renounceable Pro-rata Entitlement Offer to shareholders. This Renounceable Pro-rata Entitlement Offer was announced on 3 November 2009 and new shares were issued on 8 December 2009. Net proceeds from this offer were $105,584,000, before recognition of a deferred tax asset of $403,000 relating to the future deductibility of issue costs.

Management share option plan
There were no options issued during the period. There are no unissued ordinary shares of the Company under option at 31 December 2010.

Shares issued as a result of the exercise of options
There are no unissued ordinary shares of the Company under option at 31 December 2010.

NOTE 13 – RESERVES

	Consolidated 31 Dec 2010 $'000	Consolidated 30 June 2010 $'000
Available-for-sale investments revaluation	8,034	7,357
Investment property revaluation	3,820	3,820
Hedging	(887)	(71)
Share-based payments	7,586	6,339
Foreign currency translation	(15,028)	(17,342)
	3,525	103

NOTE 14 – INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

		Interest		Investment carrying amount		Contribution to operating profit		
Name	**Principal Activities**	**31 December 2010 %**	**30 June 2010 %**	**31 December 2010 $'000**	**30 June 2010 $'000**	**31 December 2010 $'000**	**31 December 2009 $'000**	**30 June 2010 $'000**
MAF Greater Union LLC	Film exhibitor	–	49	–	13,202	1,978	4,760	9,005
Rydges Rotorua Hotel Limited	Hotel owner	25	25	1,595	1,668	39	31	(215)
Cinesound Movietone Productions Pty Ltd	Film owner and distributor	50	50	171	167	4	7	13
				1,766	15,037	2,021	4,798	8,803
Less: Discontinued Operation - MAF Greater Union LLC (Note 5)						(1,978)	(4,760)	(9,005)
						43	38	(202)

Notes:
(a) The Group's 49% interest in MAF Greater Union LLC was sold on 25 October 2010 (refer Note 5).
(b) Dividends and distributions received from associates for the half-year ended 31 December 2010 by the Group amount to $4,400,000 (2009: $4,134,000).
(c) MAF Greater Union LLC was incorporated in the United Arab Emirates. Rydges Rotorua Hotel Limited was incorporated in New Zealand. Cinesound Movietone Productions Pty Ltd was incorporated in Australia.
(d) The balance date of all associates is 30 June, with the exception of MAF Greater Union LLC which has a balance date of 31 December.

NOTE 15 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Details of the Group's investments in jointly controlled entities are as follows:

Name	Principal activities	Nature of interest	Profit share 31 December 2010 %	Profit share 30 June 2010 %	Investment carrying amount 31 December 2010 $'000	Investment carrying amount 30 June 2010 $'000	Contribution to operating profit 31 December 2010 $'000	Contribution to operating profit 31 December 2009 $'000	Contribution to operating profit 30 June 2010 $'000
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Share of joint venture assets	50	50	85,301	85,553	10,865	13,343	31,277
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	266	278	18	53	103
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	4,665	4,464	246	299	635
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	3,681	3,553	1,278	1,310	2,949
Fiji Cinema Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	(c) 66.7	(c) 66.7	4,411	4,621	357	–	226
Filmpalast Konstanz GmbH & Co KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	281	507	330	415	513
Filmpalast an ZKM Karlsruhe GmbH & Co KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	1,386	2,345	937	773	1,006
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	3,024	2,810	414	557	1,118
Geelong Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	(b) (186)	(b) (171)	173	252	609
Jam Factory Cinema Operations Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	292	501	(21)	18	135
Rialto Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	50	50	2,259	2,524	(56)	–	49
Southport 6 Cinemas Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	(c) 51	(c) 51	1,302	1,303	131	78	195
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	1,273	959	313	387	897
					107,955	109,247	14,985	17,485	39,712

Notes:
(a) Filmpalast Konstanz GmbH & Co KG and Filmpalast an ZKM Karlsruhe GmbH & Co KG were incorporated in Germany.
(b) Provision for diminution in the value of the investment carrying amount has been raised against this entity in prior years.
(c) The joint venture is not consolidated as the Group does not have control and the power to govern financial and operating policies.

NOTE 16 – BUSINESS COMBINATIONS

Half-year to 31 December 2010

During the half-year period to 31 December 2010, the Group acquired the Moonlight Cinema business for consideration of $1,750,000. The fair value of net tangible assets and liabilities acquired as part of this acquisition amounted to $51,000, which largely comprised plant and equipment. As a result of this purchase, intangible assets being goodwill, increased by $1,699,000.

Prior Year

In the year to 30 June 2010 the following business combinations took place:

On 14 October 2009, the Group acquired the Beverly Hills and Cronulla cinema complexes in south-western and southern Sydney.

Effective 26 December 2009, the Group acquired the remaining 50% interest, not already owned, in the Glendale cinema in the western suburbs of Newcastle, New South Wales.

On 18 February 2010, the Group completed the transaction to purchase the SKYCITY cinema business based in New Zealand and Fiji. The business included 14 cinemas with 106 screens located throughout New Zealand, a 50% interest in Rialto Cinemas in New Zealand (three cinemas with 16 screens) and a 66.67% interest in two cinema sites in Fiji with a total of 10 screens.

On 17 June 2010, the Group acquired the leasehold interest in a cinema site in Noosa, Queensland.

For further details on these business combinations, refer to the Group's annual financial report for the year ended 30 June 2010.

NOTE 17 – COMMITMENTS AND LEASES

Other than the following, there have been no material changes in commitments and leases since 30 June 2010.

	Consolidated	
	31 Dec 2010 $'000	30 June 2010 $'000
Capital expenditure commitments		
Contracted but not provided for and payable:		
Within one year	8,401	4,783
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable:		
Within one year	86,862	93,695
Later than one year but not later than five years	303,175	329,127
Later than five years	325,075	378,383
	715,112	801,205

Operating lease commitments have reduced, since 30 June 2010, largely due to the movement in the exchange rate between the Australian dollar and the Euro and the reduction of the remaining lease term, for most leases, by six months.

Included in the above capital expenditure commitments is the contractual commitment, subject to regulatory approval, for the acquisitions of the 75% share, not already owned by the Group, in a company which owns a hotel property in Rotorua, New Zealand. The contract relating to this commitment, of $6,783,000, is expected to settle in the near future.

NOTE 18 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

With exception to the following, there have been no material changes in contingent liabilities or contingent assets since 30 June 2010.

	Consolidated	
Contingent Liabilities	**31 Dec 2010 $'000**	**30 June 2010 $'000**
Jointly controlled entities Certain subsidiaries have obligations in respect of the lease commitments for jointly controlled entities. Operating lease commitments of jointly controlled entities not included in the Group's financial statements, for which a controlled entity has obligations, are due:		
Not later than one year	35,710	38,940
Later than one year but not later than five years	121,398	134,658
Later than five years	124,415	161,297
	281,523	334,895

Contingent liabilities have reduced, since 30 June 2010, largely due to the restructure of certain lease arrangements and guarantees and the reduction of the remaining lease term, for most leases, by six months.

NOTE 19 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends
For details of the interim 2011 dividend declared after 31 December 2010 see note 6.

Hotel purchase
On 20 January 2011 the Group entered into a contract to purchase a hotel property, for $14,000,000 plus acquisition costs, located in Albury, New South Wales. The contract is subject to certain pre-completion conditions being met and is expected to be completed during April 2011.

Performance Shares
Subsequent to 31 December 2010, the Company offered Performance Shares to certain employees under the Company's Performance Share Plan. A total of 603,447 Performance Shares were allocated to participants on 23 February 2011.

NOTE 20 – NON-CASH INVESTING ACTIVITIES

31 December 2010
There were no significant non-cash investing activities during the half-year period to 31 December 2010.

31 December 2009
There were no significant non-cash investing activities during the half-year period to 31 December 2009.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' DECLARATION

In the opinion of the directors of Amalgamated Holdings Limited ("the Company"):

1. The financial statements and notes set out on pages 7 to 25 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

AG Rydge Director	**DC Seargeant** Director

Dated at Sydney this 24th day of February 2011

Independent auditor's review report to the members of Amalgamated Holdings Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Amalgamated Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2010, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2010 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Amalgamated Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Amalgamated Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

David Rogers

David Rogers
Partner

Sydney
24 February 2011

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

CONSOLIDATED GROUP RESULT

	31 December 2010				31 December 2009			
	Normalised result* $'000	Discontinued operations $'000	Individually significant items $'000	Total $'000	Normalised result* $'000	Discontinued operations $'000	Individually significant items $'000	Total $'000
Entertainment								
Australia	20,227	–	–	20,227	23,545	–	–	23,545
New Zealand	1,037	–	–	1,037	–	–	–	–
Germany	9,216	–	–	9,216	30,114	–	–	30,114
United Arab Emirates	–	1,964	60,318	62,282	–	4,738	–	4,738
Hospitality & Leisure								
Hotels	16,940	–	–	16,940	15,310	–	–	15,310
Thredbo Alpine Resort	17,431	–	–	17,431	16,318	–	–	16,318
Leisure/Attractions	1,166	–	–	1,166	1,246	–	–	1,246
Entertainment Technology								
Technology	510	–	–	510	889	–	–	889
Property and Other Investments								
Available-for-sale investments	255	–	–	255	255	–	–	255
Property	2,594	–	6,249	8,843	904	–	11,904	12,808
Unallocated revenues and expenses	(8,442)	–	–	(8,442)	(6,952)	–	–	(6,952)
	60,934	1,964	66,567	129,465	81,629	4,738	11,904	98,271
Finance revenue	1,597	–	–	1,597	390	–	–	390
Finance costs	(1,730)	–	–	(1,730)	(2,626)	–	–	(2,626)
	60,801	1,964	66,567	129,332	79,393	4,738	11,904	96,035
Income tax expense	(16,533)	–	(1,875)	(18,408)	(19,233)	–	(554)	(19,787)
	44,268	1,964	64,692	110,924	60,160	4,738	11,350	76,248
Non-controlling interest	–	–	–	–	(18)	–	–	(18)
Net profit	44,268	1,964	64,692	110,924	60,142	4,738	11,350	76,230

* *Normalised result is profit/(loss) before individually significant items, discontinued operations, non-controlling interest and income tax.*

OVERVIEW

Net profit after tax was $110,924,000, an increase of 45.5% on the previous comparable half-year period. The increase in net profit was primarily attributable to a profit of $60,318,000 booked on the sale of the Group's 49% interest in the cinema business located in the United Arab Emirates.

The normalised result was $44,268,000, a decrease of 26.4% on the previous comparable half-year period. The decline in normalised profit was mostly attributable to the Cinema Exhibition business which was affected by the relatively soft film line-up over the traditionally strong Christmas holiday trading period. Hotels and Thredbo achieved solid growth over the previous comparable half-year period.

Individually significant items included the following:	31 Dec 2010 $'000	31 Dec 2009 $'000
Profit on sale of interest in MAF Greater Union LLC	60,318	–
Valuation increment recognised on the property development site in Canberra	2,251	9,300
Profit on the sale of land lots from the Bass Hill development land bank	3,998	2,604
Total individually significant items before income tax expense	66,567	11,904

REVIEW OF OPERATIONS

Entertainment

Cinema Exhibition Australia
The normalised profit before interest and income tax expense was $20,227,000, a decrease of 14.1% on the prior comparable half-year period.

Domestic Exhibition experienced a weaker half-year period recording a 1.3% decrease in Box Office. This decline in Box Office was the result of a disappointing Christmas trading period, with total Box Office for December down on the prior comparable half-year period by 18.8%.

The half-year result was underpinned by two titles, *Harry Potter and the Deathly Hollows* and *Inception*, which both achieved in excess of $35 million at the Australian Box Office. Other major contributors included *The Twilight Saga: Eclipse* and *Toy Story 3* both achieving in excess of $30 million during the period. *Despicable Me* achieved in excess of $20 million.

During the half-year period the Group continued to expand its 3D digital footprint significantly and capitalised on the increasing number of titles released in 3D. Over the six-month period 49 additional 3D projectors were installed over the circuit taking the total amount of projectors to 164. This is the largest deployment of any exhibitor within Australia.

Merchandising revenue continued to grow with a 5.1% improvement in revenue per admission over the prior comparable half-year period. This growth was driven by the continued rollout of the successful self serve Scoop Alley candy bar concept and the ongoing success of the Gold Class cinema experience.

During the six-month period the Group opened a new eight-screen cinema at the Top Ryde City shopping complex in north western Sydney. The development is an Event Cinema and includes one Vmax screen and seven traditional auditoriums. The group also completed the purchase of the Moonlight Cinema business for $1,750,000. Moonlight Cinema operates an outdoor cinema business across five sites, located in Sydney, Melbourne, Adelaide, Brisbane and Perth.

The contribution for the Group’s 50% interest in the Village managed circuit in Victoria decreased by 3.0% over the comparable half-year period. This downturn was due largely to the soft film line-up over the Christmas period.

Cinema Exhibition New Zealand

The normalised profit before interest and income tax expense was $1,037,000 for the half-year to 31 December 2010. The Cinema Exhibition New Zealand business was acquired in February 2010 and, as a result, there are no comparable reported profit results.

The New Zealand business, which also includes the Fiji Cinema Joint Venture (66.67% share in two cinemas), experienced a difficult half-year period with Box Office down 11.1%. The majority of the decline was experienced over the traditionally busy December month, which was down 37.5% over the prior comparable period.

The Box Office result for the period was predominately driven by strong performances from *Inception* which grossed in excess of NZ$6 million at the New Zealand Box Office, as well as *Toy Story 3*, *Harry Potter and the Deathly Hollows* and *The Twilight Saga: Eclipse*, all of which grossed in excess of NZ$5 million. *Despicable Me* achieved NZ$4.2 million.

During the six month period, merchandising revenue spend per admission increased by 4.7% despite the negative impact on net revenues resulting from the increased GST rate on 1st October 2010 from 12.5% to 15.0%. This growth was driven by a continued focussed approach on a number of Candy Bar Combo promotions.

During the period the group expanded the 3D digital foot print to 29 screens, which helped to capitalise on the increased number of titles being released in 3D. In addition during the period the Group commenced capital projects to refurbish four key cinema locations across the New Zealand circuit.

Cinema Exhibition Germany

The normalised profit before interest and income tax expense was $9,216,000, a decrease of 69.4% on the prior comparable half-year period.

The German circuit suffered from a lack of consistent quality film product, extremely poor weather conditions during December and the negative impact of the Football World Cup on the July 2010 trading month. Box Office in Euros decreased by 16.9% over the very strong prior comparable half-year period. The box office contribution from German produced films also showed a significant decline with only 10% of the box office coming from German product as against 28% in the prior comparable half-year period. The top performing films at the German Box Office were *Harry Potter and the Deathly Hallows: Part 1, Twilight Saga: Eclipse, Inception, Despicable Me* and *Shrek Forever After*.

The average admission price increased by 6.8% over the prior half-year period which was partly attributable to the surcharge for 3D films, with a greater number of sites in Germany now having 3D capacity. The German exhibition circuit currently has 96 screens at 50 sites with 3D capacity.

Merchandising spent per head increased by 8% over the prior half-year period.

The strengthening of the Australian dollar against the Euro continued to have a negative impact on the results from Germany when translated to Australian dollars. The average month end $A/Euro exchange rate for the half-year to 31 December 2010 was 0.717 cents against 0.604 cents for the prior comparable half-year period.

Cinema Exhibition – United Arab Emirates

The Groups' 49% interest in the Middle East cinema business was sold during the period to joint venture partner the Majid Al Futtaim Group for AED283 million (A$78.7million). The earnings received for the period prior to the sale were $1,964,000 and the profit on sale was $60,318,000.

Hospitality & Leisure

Hotels
The normalised profit before interest and income tax expense was $16,940,000, an increase of 10.6% on the prior comparable half-year period.

Owned hotels

Occupancy in the group's owned hotels of 79.3%, with an average rate of some $134 represented a revpar increase of 6.2% over the prior comparable period.

Corporate Travel rebounded strongly from the Global Financial Crisis lows of the previous year. Volume from the corporate segment has been strong throughout the period, with rate growth emerging towards the end of the first half. The important conference segment is still yet to recover, with results in-line with the prior year.

Domestic leisure travellers continue to be very price sensitive, however this segment has proven to be resilient in most locations, albeit with some softening emerging toward the end of the first half.

The Group continues to focus on maximising Revpar growth via an equal focus on driving average room rate when demand allows, whilst supplementing demand with strong promotional activity when required. The Group's market share continues to improve.

Food and Beverage revenue has grown 23% over the prior comparable period. This is primarily as a result of the new F&B Bar and Restaurant concepts recently opened in Canberra, Melbourne, Cronulla and Cairns.

Higher workers compensation premiums resulted in a slight decline in room's margin, however F&B margin grew strongly off the back of the pleasing revenue growth and good cost control. Earnings were impacted by one-off costs arising from preparations for the launch of the new QT brand on the Gold Coast.

Managed hotels

The management company produced a solid first half result. Income grew by some 16.7%, with a corresponding 19.6% increase in contributions. This was a result of solid trading across the bulk of the managed portfolio, particularly hotels located in the mainland Australian capital cities, which have benefited from the resurgent corporate travel market described above. Fee income was also positively impacted by an expansion of hotels under management during 2010. Unfortunately, the improved trading environment was not experienced in all locations, with Dubai and Queensland resort areas continuing to be characterised by over supply and soft demand.

Operations

The Group continues to leverage the increasingly powerful combination of www.rydges.com and the Rydges PriorityGUEST program to deal directly with guests and drive increasing revenues into hotels. The program had some 371,000 members at 31 December 2010 (331,000 members at 30 June 2010). Revenue booked via rydges.com increased by 15.8% over the prior comparable half-year period.

Thredbo Alpine Resort
The normalised profit before interest and income tax expense was $17,431,000, an increase of 6.8% on the prior comparable half-year period.

Thredbo experienced solid trading despite inconsistent natural snow conditions during the first half of the season, however favorable weather conditions allowed Thredbo to produce a record amount of man-made snow giving very favorable skiing conditions during the months of July and into early August, this was followed by near record snow falls for the remainder of the 2010 ski season. The September result was particularly strong when compared to prior seasons.

Leisure/Attractions
The normalised profit before interest and income tax expense was $1,166,000, a decrease of 6.4% on the prior comparable half-year period.

Entertainment Technology
The normalised profit before interest and income tax expense was $510,000, a decrease of 42.6% on the prior comparable half-year period. This was due to the establishment of a new digital production studio.

Other

Property
The normalised profit before interest and income tax expense was $2,594,000, A significant increase on the prior comparable half-year period.

During the half-year period a further 27 contracts for land lots were settled on the subdivision of the former Bass Hill Drive-In site, providing a profit of $3,998,000 which has been booked as an individually significant item.

A further fair value adjustment of $2,251,000 was booked as an individually significant item in relation to the Canberra Civic development following finalisation of all outstanding claims on the development.